

May 5, 2021
Ohio Senate Transportation Committee
PROPONENT TESTIMONY – SB 79
David W, Clark Jr.- United Towing Service Inc,
Cleveland, OH

Good morning Chair Kunze, Vice Chair Reineke, Ranking Member Antonio and members of the Senate Transportation Committee. Thank you for the opportunity to address the committee as a proponent of SB 79.

My name is David Clark of United Towing Service in Cleveland, OH. United Towing Service is a small to medium - 24 hour towing service located in downtown Cleveland. United tows for 10 police departments and is committed to providing a timely response and fair treatment to owners of vehicles that have been towed. I have over 40 years of experience in and around the towing industry in the Cleveland area.

My testimony today will illustrate the type of vehicles that are abandoned after being ordered into storage by law enforcement and ultimately processed for disposal at United Towing. Attached to the testimony is a spreadsheet of actual abandoned vehicles from United Towing for a 3.5 month period beginning in late August of 2019 and ending in early December of 2019. In 2019, United towed 2,129 vehicles through the order of law enforcement. 1,495 or 70% of those vehicles were claimed. 284 or 13% of those vehicles were disposed of by law enforcement and 350 or 17% remain unclaimed in storage. These percentages remain consistent throughout my 40+ years in the towing business. Another fact that remains consistent for the industry is that 85% of vehicles that remain unclaimed after 5 days are not retrieved by the owner or lienholder. Further, we know that only 1% of vehicles are retrieved after 30 days in storage, another fact that has remained consistent throughout my career in the industry.

I would like to draw your attention to the spreadsheet. In the 3.5 month period I mentioned above, 98 vehicles were processed for disposal. The data about these vehicles for your review is as follows:

- Police Department, Year, Make, Model, Reason For Tow, Tow Date, Junked Date, Days in Storage, Tow Fee per Vehicle, Labor Due, Storage Due, OH Sales Tax Due, Total Due Day Junked, Junk Price (recovered), Amount Due Less Junked Price (loss), and number of owners and/or lienholders.

As an example, please draw your attention to vehicle #53, highlighted in light blue. A picture of the vehicle is included as well. A financial decision was made by the owner not to retrieve this vehicle by paying for towing and storage due. As you heard in prior testimony, there is no law, rule or regulation that requires either the owner or lienholder to pay the tower what is due – or to facilitate its disposal even when they do not want to retrieve the vehicle. There is no consequence to either the owner or the lienholder of the vehicle. Also, please keep in mind that the police departments, county sheriffs, or State Highway Patrol that order the vehicles to be towed and stored do not pay the towing company for the service. Towing companies are only

compensated if the vehicle owner or lienholder retrieve the vehicle and pay the towing and storage fees.

The final line of the spreadsheet (highlighted) illustrates some facts and the financial result to my company when the vehicles are actually processed by law enforcement.

- United did **not** collect \$17, 448 in tow fees, \$650 in additional labor costs, or the \$224,064 in storage due.
- The State of Ohio did **not** receive \$19,316.08 in sales tax due for these vehicles.
- The total lost revenue was \$228,142.00.
- In total, for the services we provided to the police departments, we recovered \$14,020 – an average of \$143 dollars per vehicle when scrapped.
- The average stay of a disposed vehicle in storage was 134 days.
- The average age of the vehicle is 16+ years old.
- I have attached photos of the vehicles, where it is indicated, as well for your review.

Also, please keep in mind that United has to perform an additional tow to the scrap facility, not accounted for in these numbers. Abandoned vehicles that result from police towing are always a major loss and a significant financial burden for towing companies with a direct impact to the bottom line. Unless law enforcement processes a vehicle, towing companies have no recourse for proper disposal and must store the vehicle indefinitely, as is the case for thousands of vehicles across the state. The towers must continue to pay all of the costs associated with indefinite storage and will recover nothing for their services.

SB 79 will benefit both law enforcement and towing companies with the creation of an alternative method for the disposal of unclaimed vehicles ordered into storage by law enforcement. Towing companies will remain directly accountable to the law enforcement entities that employ their services to dispose of the vehicles properly with a more efficient disposal process.

Thank you for your attention to this matter and I would be happy to answer any questions.